

ABC Cuts Estimate Of 3rd Quarter Net To Near Break-Even

By a WALL STREET JOURNAL Staff Reporter

NEW YORK — American Broadcasting Cos., lowering a previous earnings projection, said it will "approximately break even" in the third quarter.

ABC, with interests in broadcasting and leisure-time activities, earned \$11.4 million, or 68 cents a share, in the 1974 third quarter. In July, the company said it expected an earnings decline of about 35% from that level, primarily because of softness in television advertising and the high cost of restructuring its record music operation.

Since July, ABC said in explaining the lower projection, its record music company has "experienced a high rate of returns and lower revenues reflecting general industry conditions. Further, the (unit's) third quarter results will include adjustments for obsolete inventory as well as a more conservative basis for inventory evaluation, a larger number of returns than anticipated, elimination of certain artists from its roster and provisions for pending claims."

While the record music company was the "principal factor" in lowering the third quarter projection, ABC added that "the television division experienced profits lower than previously projected." In addition, ABC's Wildlife Preserve in Largo, Md., was "affected both by the economy and by new competitive attractions in the area," the company said.